

Message Text

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ACTION EB-11

INFO OCT-01 IO-14 ISO-00 OIC-04 DRC-01 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 FEA-02 OMB-01 SWF-02 AF-10 ARA-16 EA-11 EUR-25

NEA-14 /249 W

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R 131144Z MAY 74

FM USMISSION GENEVA

TO AMEMBASSY BRASILIA

INFO SECSTATE WASHDC 5689

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EO 11652: N/A

TAGS: ETRD, GATT, BR

SUBJ: MTN: PROPOSED BRAZILIAN INITIATIVE ON
SUBSIDIES AND COUNTERVAILING DUTIES

REF: BRASILIA 3343

1. U.S. PAPER AIR POUCHED TO BRASILIA.
2. U.S. PAPER, WHICH SOON TO BE DISTRIBUTED AS MTN DOCUMENT PROPOSES THAT TNC WORKING GROUP ON NTB'S MEETING ON MAY 29-31 TO DISCUSS EXPORT SUBSIDIES AND COUNTERVAILING DUTIES REVIEW "WHERE WE ARE" AND "WHERE WE WANT TO BE" ON THE SUBSIDIES ISSUE.
3. IN ORDER TO FORWARD THIS DISCUSSION, U.S. PAPER PROPOSES SEVERAL QUESTIONS FOR CONSIDERATION BY DELEGATIONS:

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I. GENERAL

A. HOW SERIOUS ARE SUBSIDIES IN DISTORTING
INTERNATIONAL TRADE?

B. HOW IMPORTANT ARE SUBSIDIES IN
DISTORTING TRADE WITHIN IMPORTING COUNTRIES?

C. HOW IMPORTANT ARE SUBSIDIES IN DISTORTING
TRADE AMONG DIFFERENT COUNTRIES EXPORTING TO SAME
MARKET?

II. EXPORT SUBSIDIES

D. HOW MIGHT TERM "EXPORT SUBSIDY" BE DEFINED?

E. SHOULD EXPORT SUBSIDIES BE PROHIBITED? IF
SO, SHOULD THERE BE ANY EXCEPTIONS?

F. IF EXPORT SUBSIDIES WERE PROHIBITED, SHOULD
ANY CONDITIONS BE ATTACHED TO SUCH PROHIBITION? FOR
EXAMPLE, SHOULD ONLY THOSE SUBSIDIES THAT RESULT IN
DUAL PRICING BE PROHIBITED? OR ONLY THOSE SUBSIDIES
THAT DISTORT TRADE OR THAT CAUSE INJURY BE PROHIBITED?
IF LATTER, HOW MIGHT "TRADE DISTORTION" AND "INJURY" BE
DEFINED?

G. WHAT KIND OF ASSISTANCE TO EXPORTS SHOULD
BE ALLOWED? WHAT KIND OF ASSISTANCE SHOULD NOT BE
ALLOWED?

H. ARE GATT ARTICLE XVI:4 AND THE GATT
DECLARATION OF 1960 ADEQUATE TO DEAL WITH PROBLEM OF
EXPORT SUBSIDIES? IN WHAT RESPECTS ARE THEY DEFICIENT?

I. IS THERE ANY REASON WHY SAME RULES ON SUB-
SIDIES SHOULD NOT APPLY TO BOTH PRIMARY AND NON-
PRIMARY PRODUCTS?

J. SHOULD SAME RULES ON EXPORT SUBSIDIES
APPLY TO BOTH DEVELOPED AND DEVELOPING COUNTRIES?

III. DOMESTIC SUBSIDIES THAT STIMULATE EXPORTS

K. HOW MIGHT DOMESTIC SUBSIDIES THAT STIMULATE
EXPORTS BE DIFFERENTIATED FROM EXPORT SUBSIDIES?

L. SHOULD DOMESTIC SUBSIDIES THAT STIMULATE
EXPORTS BE SUBJECT TO SAME RULES AS EXPORT SUB-
SIDIES? IF NOT, WHAT RULES MIGHT BE APPROPRIATE?

M. SHOULD SAME RULES ON DOMESTIC SUBSIDIES
THAT STIMULATE EXPORTS APPLY TO BOTH DEVELOPED AND
DEVELOPING COUNTRIES?

IV. DOMESTIC SUBSIDIES THAT INHIBIT IMPORTS
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N. HOW MIGHT DOMESTIC SUBSIDIES THAT RESULT
IN IMPORT SUBSTITUTION BE DIFFERENTIATED FROM DOMESTIC
SUBSIDIES THAT STIMULATE EXPORTS?

O. SHOULD DOMESTIC SUBSIDIES THAT RESULT
IN IMPORT SUBSTITUTION BE SUBJECT TO SAME RULES AS
DOMESTIC SUBSIDIES THAT STIMULATE EXPORTS? IF NOT,
WHAT RULES MIGHT BE APPROPRIATE?

P. SHOULD SAME RULES ON DOMESTIC SUBSIDIES

THAT RESULT IN IMPORT SUBSTITUTION APPLY TO BOTH
DEVELOPED AND DEVELOPING COUNTRIES?

V. SANCTIONS

Q. SHOULD ANY NEW RULES ON SUBSIDIES PROVIDE
FOR SANCTIONS? IF SO, WHAT KIND OF SANCTIONS?

R. SHOULD SANCTIONS BE TAKEN UNILATERALLY
OR SHOULD THEY BE SUBJECT TO MULTILATERAL APPROVAL?

VI. EXCEPTIONS

S. WHAT KIND OF EXCEPTIONS, IF ANY, SHOULD
BE MADE TO ANY NEW RULES ON SUBSIDIES?

T. SHOULD EXISTING SUBSIDY PRACTICES BY
EXEMPT FROM APPLICATION OF ANY NEW RULES?

DALE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: EXPORTS, TARIFF NEGOTIATIONS, COUNTERVAILING DUTIES, SUBSIDIES
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Draft Date: 13 MAY 1974
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
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Errors: N/A
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Handling Restrictions: n/a
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30 JUN 2005

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To: BRASILIA
Type: TE
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